

NUMSA Joint Press Statement on the now hidden and now open agenda by President Cyril Ramaphosa's government to declare the current rolling blackouts of Eskom as constituting a National Disaster for the country.

Introduction

NUMSA, HAITU, UDM and BOSA wants to put on record that a deeper understanding of our country's constitution whose foundation is centred on the Bill of Rights it makes it very clear that the people shall govern. The Freedom Charter which is a seminal document summarises how the democratic aspirations of our people should be respected by a government and the Freedom Charter states: *"We, the People of South Africa, declare for all our country and the world to know: that South Africa belongs to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of all the people."*

Working with other political formations and organizations, we are dismayed by a now open now hidden agenda of the ANC government led by President Cyril Ramaphosa who over many months to date has actively embarked on a self-generated crisis of collapsing Eskom by simply refusing custom and practice of driving quality maintenance of power stations so that the energy availability factor of Eskom can remain at 75% which is as an acceptable level of generation plant performance which can guarantee reliable electricity supply for the country.

We have witnessed this agenda being executed by Andre De Ruyter who was clearly brought to Eskom as a hired gun to collapse Eskom through his refusal to focus on the maintenance of Eskom coal fleet and over time we had to come to terms with the concrete reality that what he has been mandated to pursue by Pravin Gordhan with the full support of President Cyril Ramaphosa is to prioritise connection of Renewable Energy IPP's with a particular declared focus that they must come from the private sector. He did this unashamedly regardless of the fact that it was not advancing Eskom's interest as the contracts he signed with the IPP's were more favourable to IPP's who are guaranteed payment for whatever energy they put into the grid whether it is used or unused. But the same cannot be said about Eskom in that Eskom that distribute energy has no guarantees of being paid and this is a GCEO who has done nothing about Eskom's continuous decline in sales. The picture of consistent dropping of Eskom's sales has been extremely glaring and this is demonstrated very clearly below in the Eskom Finance Performance:

- In Financial Year 2012 the sales volume were 225 Terawatt-hours (TWh) and in Financial Year 2021 the sales volume dropped to 201TWh.
- That is a decline of 24TWh i.e. decline of 2,4TWh per annum.

- In NUMSA's view, Eskom's sales volume will continue to decline by 3-5% per annum.

This GCEO, Andre De Ruyter and the previous Eskom board took absolutely no action about this all they did which is against the interest of Eskom was to continue to impose high electricity tariffs. When one looks at their revenue applications to NERSA and simultaneously they use the rolling black outs as justification of connecting more renewable IPPs into the grid.

What we quickly learned was that Andre De Ruyter was not acting alone, he was basically furthering the political instruction of both Pravin Gordhan and President Cyril Ramaphosa who clearly has secured a deal with the West in particular the United States of America which has bribed them with a loan of 8,5 Billion US Dollars not to touch coal. What we are experiencing as South Africans is a government and a leadership of Cyril Ramaphosa that is prepared to privatise our country's energy provision, collapse Eskom by not delivering quality maintenance of Eskom coal fleet and as such they plunge the country into permanent darkness in order to satisfy the interest of the West.

We are saying this because we have experienced and witnessed this government plunging the country into these rolling blackouts with stages ranging from stage 4 to 6 every day between 2022-2023, thus costing the economy no less than R1 billion a day. These deliberate rolling blackouts allowed by President Cyril Ramaphosa led by Pravin Gordhan and Andre de Ruyter and Jan Oberholzer who are clueless and know nothing about generation plant, they costed the economy from 2018 to 2022 not less than R1.2 Trillion. For this destructive agenda that sabotages the South African economy and destroys peoples livelihoods, worsening poverty, unemployment and inequalities, risking the lives of our people in public hospitals, destroying jobs of workers through a job loss blood bath, subjecting them to short time and layoffs as a result of their rolling black outs.

They have been prepared to embark on a costly wasteful expenditure wasting the money of the national fiscus burning diesel with sky rocketing amounts in that since they took over at the height of State Capture, Eskom's diesel pen cycle gas turbines expenditure was as follows: **2016/2017** – the period they characterize as State Capture it was R340 million & in **2017/2018** R328 million. In their period which was commenced by Phakamani Hadebe, Jabu Mabuza, Andre De Ruyter and Jan Oberholzer, where no quality maintenance was done, the following is the expenditure by Eskom on diesel open cycle gas turbines:

2018/2019 - R3,8 Billion

2019/2020 - R4,3 Billion

2020/2021- R4,1 Billion,

2021/2022 -R10,1 Billion

2022/2023 -R12,5 Billion (and this trend is continuing).

In the next financial years, Eskom would have applied to NERSA to spend R17 billion and R18 billion for Eskom diesel open cycle gas turbines for FY2023/2024 and FY2024/2025, respectively. Despite this sharp increase in Diesel expenditure during this period, the rolling blackouts have worsened.

With the country having been engulfed by these disastrous rolling blackouts that have worsened from June 2022 up until now in February 2023, President Cyril Ramaphosa's government has pulled the wool over the eyes of the nation sending it to sleep, creating an impression that they are busy taking the necessary measures to stop the current rolling blackouts. This is the same Cyril Ramaphosa who appointed previous useless and technically incompetent Eskom board led by the late Jabu Mabuza whose highest qualification was a Grade 12. After Mabuza left, he approved the "immunologist", Doctor by profession, Prof. Makgoba to lead Eskom board. It is clear that the ANC as shareholder is not taking loadshedding seriously as characterized by these appointments.

However, we should have been wiser and learnt from our own experiences of President Cyril Ramaphosa our experience of him whenever these Eskom blackouts breakout President Cyril Ramaphosa will come back from any part of the world creating an impression that he is going to fix the crisis and he has consistently taken one measure which is to add more IPP's to the grid. Therefore, as a nation we should not have been victims of Stockholm syndrome where we continue to believe that President Cyril Ramaphosa is going to save us from this crisis we are in. If truth be told President Cyril Ramaphosa and the National Energy Crisis Committee that he surrounded himself with, have no plans to fix Eskom coal power stations so that we can have an energy availability factor of 75% so that as a country we can stop the rolling blackouts.

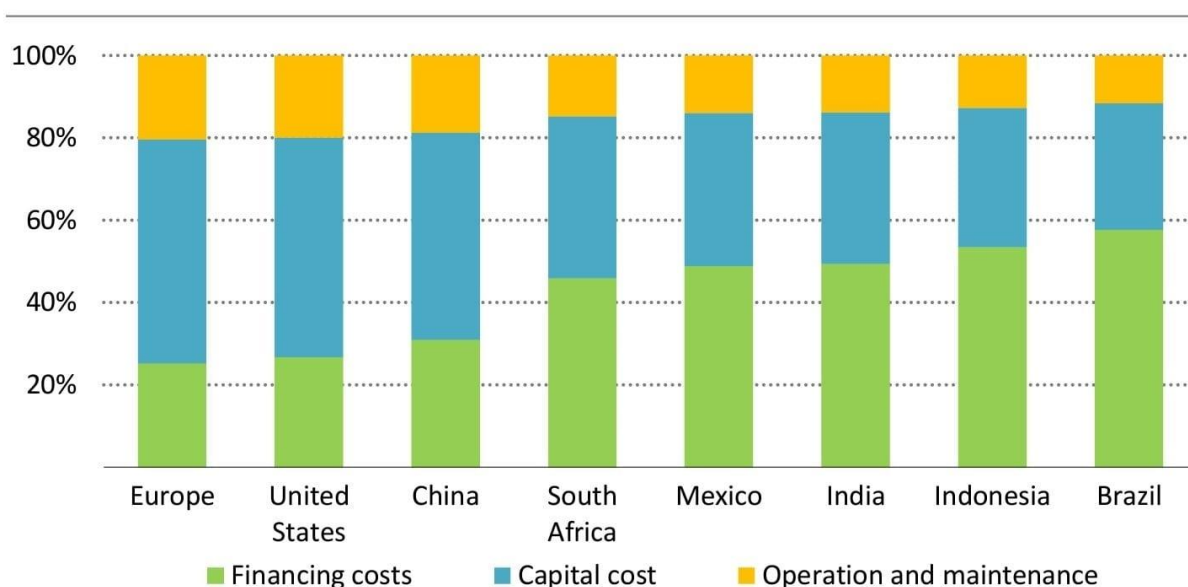
The essence of what South Africans must understand about President Cyril Ramaphosa and Pravin Gordhan, just like Andre De Ruyter and his previous board instead of focusing on running Eskom fleet to reach acceptable plant generation performance, their major focus is adding more renewable energy IPP's to a point where we had to conclude that we have an IPP board and a GCEO of IPP's in Andre de Ruyter and in Pravin Gordhan we have a Minister of IPP's and the World Bank. What the country needed in order to be saved from this loadshedding is a board of Eskom and a GCEO of Eskom whose main key focus is to drive quality maintenance of power stations. Look at their history they are consistent in forcing IPP's into the grid without declaring that they have taken a decision that they have dumped coal to further the aims of the deal they have signed with the USA. Their track record is as follows:

- Since their tenure of leadership, over 2 200 MW of solar and wind power has been connected to the grid through Bid Window 4 of the Renewable Energy Independent Power Producers programme. This

will cost South Africans R265 billion over the period of 20 years, which effectively contributes significantly to the recent 18.65% tariff increase for FY2023/24. In simple terms, these billions will be paid by consumers through sky-rocketing tariff increases.

- A further 2 600 MW of capacity has been procured through Bid Window 5, which will begin to add capacity from early 2024. This will cost not less than R180 billion over the 20-year period. Which effectively contributes significantly to the recent 12.74% tariff increase for FY2024/25.
- It is them who, without consulting and protecting our country’s sovereignty, they decide unilaterally on dumping coal instead of allowing our country to deciding on the energy mix our country needs to address South Africa’s economic needs and to power our communities. They simply decided to privatise the energy provision of the country through IPP’s which will be prioritised on the grid. We have consistently maintained as a union that this sovereignty of our country must be respected and we rejected a view that is currently being implemented and supported by President Cyril Ramaphosa’s government led by Pravin Gordhan that we cannot touch coal and this being dictated to us by the West led by the USA. The financing cost of the utility-scale solar PV plant exceeds more than half of the total levelized cost in the developing economies including South Africa. The financial institutions are the biggest beneficiaries of the so called energy transition because if truth be told what President Ramaphosa is driving is not a just transition is a transition in the interest of the Banks and other financial institutions such as the World Bank and the European Development Bank. The graph below demonstrates this reality.

Figure 4.10 ▶ **Composition of levelised cost for a utility-scale solar PV plant with final investment decision secured in 2021**



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- Why are Eskom bond holders smiling all the way to the bank? What is currently happening is not a just transition it is a transition for the banks and bond holders.
- It is very strange that we can be dictated to by the North when their own base load is standing on coal, nuclear, gas and to add insult to injury whilst our country is plunged into an economic sabotage of

rolling black outs our country's best coal is leaving our shores in droves and the recent statistics point to approximately 700% increase in coal that is leaving our ports.

- The fundamental question is who is fooling who? Why our country's economy, its developmental path and the interest of its people must be sacrificed in the interest of the developed world of which for decades we have been victims of its colonization, imperialism in all forms of plunder and oppression. It is President Cyril Ramaphosa's government and his National Energy Crisis Committee led by Andre De Ruyter and Pravin Gordhan who feel so proud and have the guts to state publicly that they have started to diversify generation by allowing parties other than Eskom to generate electricity.
- It is President Cyril Ramaphosa's government and Andre De Ruyter who act against Eskom's interest. They are the ones who go all out and call on the competitors of Eskom to embark on self-generation of electricity passing a vote of no confidence to Eskom.
- In the recent past Andre De Ruyter who has resigned who promised to leave in March 3 weeks from now called on the City of Cape Town Municipality to buy electricity from IPP's instead of Eskom. According to his distorted mind this will save Eskom money and minimize loadshedding. Obviously this is short sighted because government on one side is adding more generation capacity which will result in above inflation tariff increases for a sustained period, while the sales volume of Eskom will decline as a result of this decision. This is the very same Andre De Ruyter and Pravin Gordhan who have embarked on a process to auction Eskom land to the very same IPP's. As they have made a decision recently to make Eskom land available next to its power stations in Mpumalanga under the disguise of renewable energy IPP projects, while in effect, IPPs will build gas plants. Rejecting a consistent demand which NUMSA has been making that Eskom should be allocated not less than 70% of the new generation capacity in the IRP 2019 in the interest of the country to ensure that we can guarantee a competitive electricity tariff not to hand over our country's energy provision to the private sector which will only be using it to make profit.
- As we speak, regardless of his resignation he is busy procuring more IPP's and he is driving literally a one man show in committing and signing contracts with the IPP's. The fundamental question is: why would the board of Eskom allow a person who is leaving Eskom to make procurement decisions that have a bearing to Eskom as an institution, when he has demonstrated that he has absolutely no interest of Eskom. NUMSA is aware of Eskom staff who worked for Andre, pursuing the same IPP interest, today such a staff works for the World Bank. NUMSA will not be surprised if the very same decision that Andre is busy orchestrating, that is absolutely against Eskom and the country, he is busy with javelin that in the near future he will be rewarded like in the case of the staff we know, working for the IPP's and the World Bank. We cannot lie, we seem to be watching movie in action in Eskom.
- In June 2021, President Cyril Ramaphosa, Pravin and Andre raised the licensing threshold for new embedded generation projects from 1 MW to 100 MW to benefit the IPP's and further destroy the Eskom sales volume. This removed the licensing requirement for generation projects up to 100 MW that are connected to the grid.
- The amount of new generation capacity procured through Bid Window 6 for wind and solar power is 1 000MW despite the initial allocation of whopping 4 200MW.

- Recently, NERSA concurred with the Ministerial determination on procurement of 14 700 MW from solar, wind and storage for the years 2024 up to 2030 from IPPs. This will come at a serious cost to the country because renewable energy needs a backup from dispatchable sources.

The above articulated track record of President Cyril Ramaphosa, Pravin Gordhan and Andre point to a deliberate aggressive agenda that prioritises IPP's, their efforts and energies are not aimed at arresting the declining energy availability factor that will ensure reliable electricity supply 24/7. These efforts are to ensure that the private sector will be awarded billions of contracts over the period of power purchase agreements despite the renewable energy IPP's not assisting the system during unrelenting generation capacity constraints.

On the backdrop of these facts, South Africans should be extremely careful about NECOM, so called energy experts, scholars, analysts, rented lobby groups who are aggressively pushing for more renewable energy IPPs on the basis that they are cheap and quick to connect to the grid while their generating capacity is highly dependent on weather which at times is not favourable. This brings me to the famous statement by Prof Anton Eberhard who is the member of the NECOM who once lied and said that if Mr. Matshela Koko didn't delay the signing renewable energy IPPs bid window 4 (2200MW), we would not have power cuts as they will be online.



Well, all that generation capacity from bid window 4 is in commercial operation yet we are still experiencing power cuts at a much larger scale. I guess the solution from Prof Anton Eberhard and other renewable energy lobbyist in the NECOM will be to rollout more renewable energy IPP's because they are cheap - perplexing logic indeed. This proves that the fixation about adding renewable energy have nothing to do with ensuring reliable electricity supply but to drive the World Bank driven neo-liberal agenda to privatise South Africa's energy provision in the interest of international private capital .

This then begs a question about the value of renewable energy IPPs in the context of Eskom declining generating plant performance and also the outstanding critical maintenance that needs to be carried out for the coal power stations.

Can the renewable energy IPPs be able to plug the generation capacity gap when a coal generating unit is taken out of service for maintenance for period of 3-6 months?

Can the renewable energy IPPs be able to plug the generation gap when Koeberg generating units are taken out of service for period of 6 months to carry out planned refurbishment in order to extend their lifespan?

Can the renewable energy IPPs be able to plug the generation gap when one of Eskom power stations unit is not able to generate electricity due to unplanned breakdown?

In the light 10 500MW coal generation capacity which is scheduled to be decommissioned by 2030 (IRP2019), can renewable energy generation capacity allocated in IRP2019 replace coal plants and provide reliable supply? We think that we should ask these questions.

The recent blackouts of load shedding have proven that renewable energy IPPs alone, are not the solution to the Eskom deteriorating generating plant performance. Despite their attractive tariffs and their low-carbon credentials, renewable energy generation capacity allocated in IRP2019 can achieve their economic and environmental benefits only by perpetuating power cuts at much larger scale.

It is against this background that NUMSA and all other political formations and organisations took a conscious decision to file an application to challenge this fooling of the nation by President Cyril Ramaphosa's government, where there is absolutely no transparency, for instance we are very clear that the people of South Africa were not consulted by President Cyril Ramaphosa's government when they took a decision to collapse Eskom by not focusing on quality maintenance of the coal fleet of the power stations of Eskom. The country was not consulted when a deal was made with the West, in particular the United States of America, when the ANC government was given not less than \$8.5 billion and no one knows what the content is embedded in the deals that they are signing with the World Bank and what are the conditions of these loans.

This is the reason we are dismayed and angered by the provocative decision that President Cyril Ramaphosa and the ANC want to impose onto the nation that of wanting to declare the current self-generated rolling blackouts by themselves as constituting a state of national disaster. The fundamental question is, what is it that they want to do in secret if it not to continue with this agenda of adding more renewable into the grid, this time without being scrutinised by the public. We call on the public to take a stand and unequivocally tell President Cyril Ramaphosa nothing about us without us. We reject President Cyril Ramaphosa's attempt to steal Eskom from the South African public, it is a public utility which belong to the people. Electricity must remain decommodified and it must continue to be regarded as being a basic need which is critical to deliver a better life of the people.

Therefore, in the interest of our people, Eskom must remain an institution that is capable of delivering a competitive electricity tariff to electrify our people communities and to power the economy and to serve their livelihoods. The mission of Cyril Ramaphosa and Pravin Gordan to declare these rolling blackouts as national disaster is to make sure that in they create conditions where they can tip-toe in the shadows, to continue with their agenda that they have embarked upon in darkness that of privatising our country's energy provision. This self deliberately created crisis of rolling blackouts is exactly as Noam Chomsky had warned us about those whose mission is to take away State assets that belong to the people hand them over to private hands. This is what he says they always do as a standard practice '*The standard technique of privatisation, defund, make sure things don't work, people get angry, you hand it over to private capital.*' NUMSA rejects this attempt with the contempt it deserves to declare their current failure as government together with the leadership of Eskom to deliver quality maintenance of power stations, which has resulted in these costly rolling blackouts and then turn around and declare these rolling blackouts as constituting a National State of Disaster! And clearly this what Cyril Ramaphosa and Pravin, with their soldier of fortune in the field, Andre de Ruyter are doing which we reject for the following reasons:

1. It is President Cyril Ramaphosa's employees that plunged the nation on this rolling blackout and now he wants to give the same individuals who are directly responsible for this crisis of rolling blackouts absolute power, they will now be given these extraordinary powers to make decisions for the people without the people.

2. If President Cyril Ramaphosa declares his created rolling blackouts with Pravin and Andre as a National Disaster we must know for a fact that he is busy creating deliberately conditions for another corruption of State Captures, less we forget he was the Deputy President of the country under the leadership of President Jacob Zuma and he turned around and presented himself as being 'holier than thou' and took absolutely no responsibility. He was ready to politicize and periodize such a moment as nine wasted years, when in essence he was the leader of government business who served in the war room of Eskom to stop the very rolling blackout. The fundamental question is what is he going to do under the period of disaster which he could not do in the period he characterised as state capture in order to liquidate other which he can't do democratically and transparently when he is currently in charge as the president of the country, and if he is allowed why would the country spend millions in the billions in the Zondo Commission to unravel the past where we were lectured how those who drove State Capture abused power which corrupts and corrupts absolutely. On what basis are we expected to trust President Cyril Ramaphosa given his track record, which is up for debate and questionable. We cannot fail to see that another looting gap is being created, it is crystalizing before our eyes and is in a process of being declared.
3. We are telling President Cyril in no certain terms that these rolling blackouts do not constitute a pandemic, they are not Covid-19. They are a crisis which has been deliberately imposed by his leadership in order to connect more IPP's into the grid for the sole intention of privatising our countries energy provision. We reject and refuse to be in a permanent state of being manipulated by his leadership. We know how these rolling blackouts can be stopped, it is not rocket science to do what must be done, ***which is to have a focused programme and align energies of every worker in Eskom and show that there is a GCEO that must be an engineer with experience in running generation.***
4. We regard this intention of President Cyril to declare these rolling blackouts as a cheap ploy, which we will challenge and expose for what they are, as we affirm that there are is no legal basis for such a declaration. It is the abuse of power undermining of democracy, it's history seeking to repeat itself, we went through this during the dark days of apartheid from the racist apartheid regime, where power corrupt and corrupt absolutely. If he dare moves ahead and pulls the trigger of a on the 9th of February in the State of the Nation Address he will ***leave us with no choice but to approach a court of law to interdict such a backward, disastrous decision which constitute an attack to democracy which many people died for.***
5. We know that the other mission of this decision which is riddled with corruption executed by those who present themselves as angels, is to introduce third party interests into Eskom power stations which will be privatised and taken away from the people, without the people. The victims are always workers who will lose hundreds of thousands as predicted by the CSIR.
6. We demand that Andre de Ruyter cannot be allowed to continue with signing agreements with IPP's, committing Eskom which he has absolutely no interest for and continuing to promise the World Bank heaven and earth against the interest of the people of South Africa. We therefore call on President Cyril Ramaphosa to stop their shenanigans and remove Andre with immediate effect, failure to do so NUMSA will be left with no option but to mobilise its member to embark on a militant campaign which will demonstrate that Andre de Ruyter is no longer welcome at Eskom. For such a campaign we call on all communities to join us to help him to pack and go. He has overstayed his welcome, and we are calling on President Ramaphosa to remove with immediate effect, the deadwood of Pravin Gordan from all our county's State Owned Enterprises. Pravin has consistently failed the SOE's, messed them up, and collapsed at the expense of the interest of workers and the interest of the people. If President Ramaphosa was a true democrat and not acting in the narrow interest of a particular faction of white monopoly capital, which has got deep relations with foreign imperialist interests, in alliance with white capitalist liberals in media houses and right-wing green capitalist groupings, he would have by now implemented the ANC Conference

Resolution which was announced by themselves in full view of the public that Eskom must be removed from reporting to the Department of Public Enterprise and report to the Department of Mineral Resources and Energy. By now there would have been a vibrant and clear plan that delivers quality maintenance of power stations to ensure that energy availability factor of 75% is achieved, and that all disconnected power station units are reconnected back to the grid as a critical step to stop the current rolling blackouts.

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For more information, please contact:

Phakamile Hlubi-Majola

NUMSA National Spokesperson

0833767725

phakamileh@numsa.org.za

NUMSA Head Office number: 0116891700

NUMSA Facebook page: <https://www.facebook.com/NumsaSocial>

NUMSA Twitter account: [@Numsa_Media](https://twitter.com/Numsa_Media)

NUMSA Website: <https://numsa.org.za/>